

SPECIAL CITY COUNCIL MEETING

NOVEMBER 20, 1984

8:00 a.m.

Present: Council Members: Hinchman, Olson, Pinkerton, Reid, and Snider (Mayor)

Absent: Council Members: None

Also Present: City Manager Graves, Assistant City Manager Glenn, Public Works Director Ronsko, City Attorney Stein and City Clerk Reimche

- a) To consider membership in the Transmission Agency of Northern California (Joint Power Agreement for Ownership Interest in the 3rd Pacific Northwest Intertie)

The matter was introduced by City Manager Graves. A summarization of the status of the California-Oregon Transmission Project as prepared by Lloyd H. Harvego was presented for Council's review as follows:

"The purpose of the memorandum is to summarize the present status of the California-Oregon Transmission Project. There have been a number of key actions in the last two weeks, all of which have been provided to you verbally, however, I feel it is appropriate that we summarize them in writing for you. In respect to the CEQA process, progress has been made to a limited extent in getting Western to recognize that TANC will be the Lead Agency under CEQA. This has been a long slow process, but I believe we have generally accomplished our objectives.

I've had several discussions with the Southern California Public Agencies and believe that they are generally prepared to participate in TANC. Those agencies who will be active participants in the Project are: Azusa, Anaheim, Banning, Colton, Riverside and Vernon. The Los Angeles Department of Water and Power, Glendale, and Pasadena have been invited, but I am not particularly encouraged about their participation. Los Angeles will have a non-voting membership in the Project Management Committee. I believe that we can come up with an informal working relationship that will be beneficial to all parties.

The most important recent action has been the successful agreement on the allocation of the new line capacity. The general allocation is as follows:

1. TANC - 700 MW; which would decrease to 653 MW on January 1, 2005, if DWR chose to become a Participant.
2. Southern California Public Agencies - 125 MW; reducing to 117 MW in 2005 for DWR.
3. Investor-Owned Utilities - 675 MW; reducing to 630 MW in 2005 for DWR.
4. Western Area Power Administration - 100 MW.
5. DWR - 100 MW; commencing on January 1, 2005.

In addition to the above, SMUD obtained agreement that their 200 MW of transmission capacity on the existing Intertie System will be reinstated and continued for the life of the lines. SMUD will have the right to assign up to 50 MW of their capacity to others. As a result of this action, SMUD agreed to lower their percentage participation in TANC from 35 percent to approximately 30.6 percent. Further, as part of the overall arrangements, TANC has agreed to lay off varying amounts of line capacity to both Investor-Owned Utilities and the Southern California Municipal Agencies. Based upon these

proceedings, the new percentage participation by the TANC Members is as follows:

TANC	Project
<u>Member</u>	<u>Share %</u>
SMUD	30.6
Santa Clara	20.2
MID	19.2
TID	12.9
NCPA	10.7
Redding	6.4
TOTAL	100.0

The amount of capacity available to TANC and each of the TANC Members is indicated in Attachments 1 and 2.

In view of the recent change in the participation percentages, each Member needs to consider whether or not a revised Board action is required. If they do, it should also be done in a manner that can accommodate future inclusion of the Southern California Municipal Agencies. I will provide additional information in the near future.

The plan at the present time is to include the basic understanding between the parties in a Memorandum of Understanding, a draft copy of which is attached, which will be included in the Secretary's Report to Congress. We plan to review and provide input into this report. A meeting will be held at RMI offices on Tuesday, November 13 at 2 p.m.

As you can see, TANC is now taking on additional responsibilities. This is necessary to retain the kind of control that the public agencies of Northern California have now achieved. Therefore, it is very important that the agency be formally organized as soon as practicable.

It should be noted that as part of the overall arrangements worked out with Investor-Owned Utilities, transmission line capacity between Tesla and Midway has also been provided to TANC. The total amount is 300 MW, which included 150 MW for the M-S-R San Juan Project. This amount was basically developed on the basis that PGandE agreed to provide transmission for San Juan, and in the last round of negotiations they agreed to include some additional capacity to be used by all Members.

Under the direction of your Management Team, chaired by Archer Pugh and consisting of Archer Pugh, John Mattimoe, and Don Von Raesfeld, the first phase of this overall project seems to be progressing in a very satisfactory manner. There will undoubtedly be many obstacles and a great deal of difficulties still ahead of us. However, I believe that as a group you have indicated your ability to succeed when you work together. As one who has been involved in the public power business in Northern California for more than 20 years, I am certainly encouraged to see the significant and historic progress that has been made. The result will be that the Northern California publics will obtain a total of 900 MW of transmission capacity to the Northwest; 700 MW to TANC, and 200 MW to SMUD. I think this is a significant accomplishment.

We will be contacting you for additional comments on these matters in the near future."

Also present for Council review was the proposed Joint Powers Agreement Transmission Agency of California of Northern California which indicates Lodi's participation percentage at 1.686%.

Various capacity tables and diagrams were presented for Council's perusal.

An indepth explanation of the subject was presented by City Manager Graves.

Mayor Pro Tempore Hinchman moved that the City of Lodi join the Transmission Agency of Northern California. The motion was seconded by Council Member Olson.

The motion carried by the following vote:

Ayes: Council Members - Olson, Hinchman, Pinkerton, Reid, and Snider (Mayor)

Noes: Council Members - None

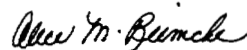
Absent: Council Members - None

Council Member Pinkerton expressed his concern that the Council review its participation in various NCPA projects.

On motion of Mayor Pro Tempore Hinchman, Olson second, Council Member Fred Reid was designated as the City of Lodi's Commissioner to the Transmission Agency of Northern California. The motion carried by unanimous vote.

The meeting was adjourned at approximately 8:50 a.m.

Attest:


Alice M. Reimche
City Clerk